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Hertz Press Information

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Second-Hand 47% Less Than New ...

AVERAGE USED CAR PURCHASE PRICES UP JUST 1/2 %,
BUT NUMBER SOLD SAGS 5.2% TO 15,931,140 IN '85;
AGE INCHES UP, MILEAGE DROPS, HERTZ POLL FINDS

The nation's motorists in 1985 bought an estimated 15,931,000 used cars, each averaging 4.58 years old, having run 45,270 miles and costing $5,431, according to a yearly study released today by The Hertz Corporation.

The figures compare with 16,805,000 sold in 1984, averaging 4.5 years, with 45,429 miles and costing $5,400, the lease-rental company noted. By contrast, a typical unit in 1978 was just 2.86 years old, had 29,090 miles and cost $3,602.

Last year's used car sales were down 5.2% from '84, average age of units sold in '85 was about 2 % (five weeks) more, mileage was 0.4% lower and purchase price was ahead 1/2%, the firm said. Overall used car revenues slumped 4.7% to $80.5 billion from $90.8 billion the prior year, the newest yearly used car nationwide sample poll shows.

Ownership & Operating Outlays Also Up Slightly

Typical ownership and operating costs for used autos bought last year rose 7.9% to 25.07¢ a mile from 23.22¢ in 1984 for a five-year-old compact to be driven five more years at 10,000 miles annually, Hertz' new survey also found.

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By contrast, a typical new 1985 compact cost 47.04¢ to own and run the same mileage, up 4.3% from 45.07¢ in '84, as the company reported in a study earlier this year. (2/24/86)

The 1985 new car sales totalled 10,888,008 units at an estimated aggregate $110.7 billion against 10,118,000 vehicles aggregating $97.8 billion in '84. The average 1985 new car purchase price was $10,166, 87% above the typical $5,431 used car outlay last year.

Record Used & New Car Revenues

Combined new and used car sales in '85 came to 26,820,000 units, down fractionally from 26,920,000 in '84, and 7.2% below the 1978 unit record of 28.9 million new and used autos sold, the Hertz study noted.

Owing to higher purchase prices, however, combined new and used car buying in 1985 aggregated a record $197.2 billion ($7,353 per vehicle), 4.6% ahead of the prior top of $188.6 billion ($7,008 a unit) in 1984.

The used car unit record was 1980 when 18.064 million sold for $70.8 billion ($3,794 per vehicle). The new car unit high came in 1973 when 11.370 million were bought-- for $41 billion ($3,596 per unit).

Annual sales of both new and used cars are a fraction of the 128,000,000 autos now on U.S. roads, Hertz noted. Each car has about three owners during its lifetime. Some 45% of cars are still on the road 10 years after they are built, but by age 15 only 5% remain.

New Car Dealers Sell Most Used Cars

The '85 poll shows direct purchases account for 51% of all used cars sold -- 29% from relatives, neighbors, friends or business associates, 22% from strangers. New car dealers' used car lots account for 37% of sales and independent used-car-only outlets, 12%.

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Respondents to the Hertz poll said used autos bought from new car dealers in '85 were younger than average (2.47 years old), had less mileage (32,530) but were costlier ($7,221). Those purchased from used car dealers averaged 4.98 years old, had run 45,873 miles and cost $5,997.

Direct buys from strangers averaged 5.93 years old, had run 53,132 miles and cost $4,276 while purchases from known individuals were a full 6.8 years old, had run 57,376 miles, but cost just $3,736.

Savings Vary By Car Age — 21%-95%

Depending on vehicle age and mileage, typical 1985 purchase prices of "prior owned" compact sized models ranged from 21% less expensive for a year-old auto to 95% cheaper for a nine-year-old, compared to a new compact, the Hertz study shows. Savings on owning and running them ran from 20% to 57%.

Despite the fact that upkeep increases as a car ages and rolls up higher mileage, the average used car's overall ownership and operating expenses usually drop in its later years because lower depreciation, interest, insurance, taxes and fees and the lower purchase price more than offset rises in maintenance, according to the Hertz study.

"Last year, typical used car buyers saved some 68% on purchase prices under new car sticker charges on comparably-sized units. Ownership and operating expenses in comparable driving averaged 47% lower," the 1985 Hertz analysis noted.

Used Cars & Buyers Vs. New Cars & Buyers

Average 1985 family income of used car buyers was $33,875 -- 30% under the $48,080 reported by new-car families. Used-car-buying families owned 2.23 units each, while new-car families had 2.1.

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Here are other characteristics of used car buyers, and contrasts with those who usually buy new autos, plus data about used cars purchased, as reported in the latest Hertz nationwide poll.

- In the six years since 1979, average used car age at purchase time rose 60%, or 1.73 years, mileage also soared 56% or 16,250 miles, average purchase price was up 51% or $1,825 and ownership & operating costs climbed 44% -- to a typical 25.07¢ a mile from 17.4¢ for 5-year-old units driven 5 more years also at 10,000 miles a year.

- By contrast, purchase prices of a typical new compact soared 94% to $9,834 in '85 from $5,079 six years before, and their ownership & operating costs jumped 67% -- to 47.64¢ a mile from 28.55¢ in '79, Hertz estimates.

- Cars that are traded first change hands at 4.59 years old after 45,270 miles of travel, then are run another 4.79 years until they and have been driven a total of 92,898 miles, Hertz poll respondents said.

- Some 20% of used car buyers in '85 had never bought a new car before, and 10% said they'd never previously purchased a used car, Hertz' polls have found.

- Buyers of second-hand autos are about the same age as new car buyers (44 years vs. 45). Some 72% are of used car buyers are men, 28% women. In 1979, it was 84% men, just 16% women.

- Fewer than half (44%) of used car buyers financed their purchases in 1985, down from 60% in 1979 and compared with 76% of new car buyers who now take out loans to pay for their wheels.

- Of used car buyers financing, average loans were 70% of the purchase price (vs. 69% in '79), compared with 72% of total price by new car buyers. Loan terms for used car buyers averaged 2.32 years vs. 2.88 years for new car purchasers.

The Hertz used car report figures are based on nationwide sample polls of used car buyers -- from 1979 to 1985 -- on surveys of retail buyers of its own rental and lease vehicles, annual sample polls of U.S. commutation, pleasure and business travel, plus projections of industry and government statistics.

Hertz, a UAL, Inc. subsidiary, retails 60,000 to 80,000 units a year to individuals from its rental fleet.

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KEY DATA ON USED CARS & USED CAR BUYERS FROM HERTZ POLLS (Including Selected Comparisons With New Car Buyers)

TABLE A
5/86

	Used Car Buyers					New Car Buyers**		
Items:	1985	1984	1983	1982	1979	1983	1981	1979
Avg. Age (Yrs.)	44.0	43.0	38.1	41.6	36.4	45.0	42.0	42.6
Sex:-Male (Pct.)	72.0	79.0	72.0	76.0	84.0	69.0	73.0	76.0
--Female	28.0	21.0	28.0	24.0	16.0	31.0	27.0	24.0
# Yrs.Had License	26.7	--	--	--	--			
Family Income $	33,875	33,051	31,079	30,087	19,939	44,729	37,293	25,795
OCCUPATION:(Pctg)								
Prof./Techn.	30	32	28	28	28	24	19	22
Laborer	7	10	15	14	20	18	16	16
Mgr./prprtr.	13	12	14	13	17	20	29	25
Crafts-/Foreman	11	11	12	10	13	3	3	5
Clerical/sales	10	10	10	9	8	12	16	17
Retired	15	14	10	12	5	17		
Unemployed	2	2	4	2	4	1		
Student	3	2	3	4	3	1		
Other/No Answ.	12	12	3	8	2	6	17	15
Bought:(Pctg.)								
FOR Men(By All)	59	55	57	56	70	56	52	57
-By Men	52	52	51	52	67			
-By Women	7	3	6	4	3			
FOR Women(By All)	41	44	43	44	30	44	48	43
-By Men	18	27	20	24	17			
-By Women	23	17	23	20	13			
Why Buy USED v.NEW?	(Multiple Answers)							
-Less Expensive	74	72	75	74	65	(*Price also main reason		
-Have New Car	9	12	8	8	13	why NC buyers chose par-		
-High Loan Costs	3	6	6	5	--	ticular NEW make/model.)		
-Best Buy*	2	2	3	2	2	55	53	52
-Other/No Ans.	13	8	8	13	20			
Had Bought USED Car Before %	90	87	86	85	85	40	44	41
#UC Past 10 Yrs.	3.77	3.60	3.50	3.17	3.34			
% Had Bought NEW Car Pefore	80	72	65	69	77	# Cars, New & Used, in households owning cars		
#NC In Past 10 Yrs.	1.84	1.40	1.20	2.06	1.81			
# N&U Owned NOW	2.23	2.20	2.30	2.16	2.07	2.10	2.20	2.10
Happy w/UC(%)	78	82	80	79	76	87	84	84
Wd. Cut Cost by-	(Multiple Answers)							
-Buying UC Again	51	63	68	66	61			
-Keep Car Longer	44	56	54	48	49			
-Buy Smaller Car	32	37	33	31	42			
-Driving Less	18	13	11	2	7			
-Change Loan Term	11	15	16	8	5			
-Ride-share/Pool	10	11	18	6	5			
-CUT OPTIONS Tot.	77	75	70	60	65			
.Power Windows	90	79	80	91	90			
.Aut.Transmission	38	22	28	40	21			
.Air Conditioning	39	23	35	49	38			
.Vinyl Roof	92	82	83	89	71			
.Appearance Trim	63	47	52	56	51			

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HERTZ SAMPLE POLLS' KEY DATA ON USED CARS & USED CAR BUYERS — TABLE B
(Including Selected Comparisons With New Car Buyers) — 5/86

	USED Car Buyers					New Car Buyers		
Items:	1985	1984	1983	1982	1979	1983	1981	1979
Price As Equipped $*	5,431	5,406	4,902	4,773	3,602	12,014	9,040	6,672
Mlg. When Bought	45,270	45,439	49,969	43,711	29,020			
Car Age When Bought	4.59	4.50	4.80	4.25	2.86	< (Years)		
Buy Self-Srv."Gas"%	77	83	79	--	--			
UC Domestic Make? %	79	83	82	82	81			
Trade Car on This?%	27	25	--	--	--			
This UC Bought From:								
-New Car Dealer	37.0	35.9	46.3	47.4	42.0			
-Used-Car-Only Lot	12.0	12.7	14.0	10.9	18.0			
-Direct Sale From-								
.Stranger(inc.flt.)	22.0	24.8	17.3	22.5	29.0			
.Someone Known	29.0	26.6	22.4	19.3	11.0			
Finance Sale(Pctg.)	44	46	51	45	60			
--Pctg.Financed	70	68	69	69	69			
--Avg.# Loan Years	2.32	3.26	--	--	--			
Got WRITTEN Warranty	38	28	29	36	47	All New Cars Have		
-If So, # Months	12.99	12.90	8.02	8.93	--			
-If So, # Miles	7,515	7,082	11,530	7,529	--			
Is USED Car Primary?	73	66	64	62	63			
NEW Car NOW Primary?	24	24	21	25	29			
# Of Others In Family Who Drive This UC?	1.44	--	--	--	--			
UC Busi.Use 50+%?	21.00	14.00	18.00	18.00	12.00			
# Yrs.PLAN Keep UC	5.4	3.8	4.1	3.8	3.0			
# Yrs.Kept LAST UC	4.79	4.40	3.90	4.20	3.23			
Yrs.Last NC Kept	5.48	5.00	5.00	6.50	3.99			
Yrs.To Keep Crt.NC	5.61	5.40	5.10	--	5.00			
Anl. Miles PRIOR UC	9,943	9,640	11,889	10,471	11,396			
Anl. Miles Last NC	8,817	10,327	13,996	10,961	12,153			
PLAN An.Mlg.,Crt.UC	11,272	10,358	13,211	12,300	12,980	13,700	13,446	--
NEW Car Financed %?	76	77	71	70	61			
Pctg.of NC Financed	72	72	67	67	66			
# of NC Loan Years	2.88	3.83	3.78	3.68				
NC Busi.Use 50+%	14	--	9	10	11			
# Family Wage Earners	1.56	--	--	--	--			
Prior UC Fate								
--SOLD PRIVATELY--	--	48	41	--	--			
..To Stranger	--	23	20	--	--			
..To Someone Known	--	25	21	--	--			
--TRADED--	--	29	28	29	34	74	65	67
..For Other NC	--	12	9	--	--			
..For Other UC	--	17	19	--	--			
--Junked It	--	9	12	--	--			
--Still Have It	--	13	18	--	--			
--Stolen, DK/NA	--	1	1	--	--			

NOTES ON SOURCES: Used Car data from Hertz nationwide sample buyer polls, 1979-85; NEW car data from NEWSWEEK polls, Automotive News, Automotive Fleet magazines, from Motor Vehicle Manufacturers Association and Hertz polls. Some questions excluded from polls in various years.

1985 USED CAR BUYER PROFILE FROM HERTZ CORP. NATIONWIDE SAMPLE POLL 5/86

(with selected 1984, 1983 & 1979 comparisons) TABLE C

Items	ALL USED	IMPORT	DOM-ESTIC	BUYER SEX: Male	Female	ROLE OF CAR: Main	2nd	HOW FINANCED: Loan	Cash
UC Buyer Percentages									
1985	1.00	0.19	0.81	0.72	0.28	0.76	0.24	0.46	0.54
1984	1.00	0.16	0.84	0.79	0.21	0.66	0.34	0.41	0.54
1983	1.00	0.18	0.82	0.72	0.28	0.64	0.36	0.51	0.49
1979	1.00	0.08	0.92	0.84	0.16	0.63	0.37	0.60	0.40
Average UC $ Price									
1985	5,431	6,455	5,195	5,615	4,950	5,870	4,618	6,740	4,228
1984	5,406	6,046	5,272	5,349	5,731	5,843	4,597	6,709	4,209
1983	4,902	4,882	4,902	4,935	4,711	5,234	4,234	5,916	3,836
1979	3,602	--	--	3,626	3,473	4,095	2,750	4,079	2,834
UC Age @ Time of Purchase									
1985	4.59	3.74	4.84	4.55	4.67	4.12	5.56	2.97	6.00
1984	4.50	4.10	4.60	4.70	3.80	4.00	5.40	3.40	5.50
1983	4.80	5.00	4.80	5.10	4.20	4.10	6.30	3.90	5.80
1979	2.86	--	--	2.94	2.47	2.08	4.21	1.96	4.28
UC Mileage @ Purchase									
1985	45,270	41,620	46,252	45,569	44,480	41,549	52,704	53,051	36,101
1984	45,439	45,872	45,387	47,184	38,042	41,704	52,901	38,296	51,709
1983	49,969	58,040	48,021	51,445	46,365	44,726	57,534	43,652	56,735
1979	29,020	--	--	29,310	27,440	24,790	36,260	23,450	37,390
MPY You Expect Drive Current UC									
1985	11,272	12,952	10,909	11,615	10,351	12,486	8,904	12,923	10,778
1984	10,538	11,623	10,324	10,964	9,855	11,673	8,324	11,387	9,821
1979	12,980	--	--	13,200	11,730	12,880	13,130	13,390	12,400
Years Prior UC Kept									
1985	4.79	4.49	4.86	4.80	4.77	4.90	4.46	4.68	4.86
1984	4.4	4.2	4.4	4.2	4.8	4.5	4.1	4.2	4.4
1979	3.2	--	--	3.3	2.5	3.2	3.3	3.1	3.5
Mileage Prior UC Driven									
1985	47,628	45,167	48,186	48,069	46,400	48,638	38,818	49,683	46,032
1984	44,415	42,644	42,374	42,664	41,037	45,357	36,199	43,411	41,379
1979	36,810	--	--	38,120	26,290	36,310	37,620	36,430	37,620
# of Years PRIOR NC Was Kept									
1985	5.48	4.83	5.60	5.25	6.14	5.70	4.71	5.89	5.15
1984	5.00	4.10	5.10	5.20	4.50	5.20	4.30	4.70	5.40
1979	4.00	--	--	4.11	3.44	4.06	3.59	3.65	4.07
Mileage PRIOR NC Was Run									
1985	48,316	46,691	48,462	40,973	46,141	50,807	45,629	48,734	47,794
1984	51,634	45,271	52,791	52,575	45,993	54,296	48,762	50,175	52,817
1979	48,490	--	--	50,380	38,460	48,380	48,180	46,540	50,910
UC Buyers' Average Age									
1985	44.0	40.6	44.6	45.3	40.8	43.3	42.7	41.8	45.5
1984	43.0	37.7	43.9	43.3	41.9	42.3	43.7	40.2	45.2
1979	36.4	--	--	37.7	29.7	35.7	37.5	34.3	39.3
UC Buyers' Avg. Family Income.									
1985	33,875	35,205	29,432	32,247	26,381	31,098	38,068	31,879	29,381
1984	33,051	36,725	38,317	31,967	30,147	30,342	37,142	34,042	32,117
1979	19,939	--	--	20,352	17,739	18,953	21,624	19,964	19,816
Percentage of Male Buyers									
1985	72	71	72	100	0	69	79	72	73
1984	78	72	80	100	0	75	86	77	81
1979	84	--	--	100	0	82	87	83	85
UC Purchase Price % Buyers Borrowed									
1985	70.0	68.2	70.7	70.0	69.9	78.0	70.6	70.0	0
# of Months of Loan Duration									
1985	27.8	27.1	27.9	26.9	29.9	28.2	26.5	27.8	0
1984	28.6	30.0	28.3	27.9	31.1	29.0	27.3	28.6	0

HERTZ CORP. POLL OF USED CAR PURCHASE PRICES & MILEAGE BY CAR AGE — TABLE D — 5/86
Including percentages of cars sold in each "age" bracket)

Years	TOTAL	Yr. 1 & under	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Yr. 9	Yr.10 & Older
1985											
Market Share %	1.0011	0.2365	0.1710	0.1090	0.1020	0.0590	0.0663	0.0620	0.0380	0.0237	0.1330
Purchase Price $	5,431	8,368	6,581	5,966	7,348	4,183	2,472	2,972	1,775	1,608	1,520
Mileage @ T.O.P.	45,270	16,753	29,012	38,786	45,639	55,325	71,978	70,323	74,948	75,850	77,339
Avg. Age - Yrs.	4.59										
1984											
'84 Market Share	1.0000	0.0330	0.0447	0.0700	0.0934	0.1498	0.1163	0.0992	0.0817	0.0486	0.2647
Purchase Price $	5,406	11,673	10,318	8,193	6,758	6,961	6,678	5,717	5,240	2,442	1,589
Mileage @ T.O.P.	45,439	9,601	19,825	29,743	38,162	39,291	44,558	49,077	49,065	48,108	61,693
Avg. Age - Yrs.	4.50										
1983											
Market Share %	1.000	0.182	0.154	0.119	0.127	0.084	0.089	0.065	0.052	0.022	0.106
Purchase Price $	4,902	8,783	6,504	5,722	4,681	3,502	3,109	3,089	2,003	1,772	1,408
Mileage @ T.O.P.	49,909	16,523	33,282	43,120	49,127	54,137	64,325	67,125	75,497	81,527	88,356
Avg. Age - Yrs.	4.80										
1982											
Market Share %	1.000	0.228	0.155	0.107	0.086	0.100	0.083	0.045	0.052	0.024	0.110
Purchase Price	4,773	8,755	6,444	5,278	4,345	3,361	2,301	1,636	2,146	1,414	1,331
Mileage @ T.O.P.	43,711	13,915	31,090	43,800	48,510	53,040	61,440	52,100	68,990	76,400	72,180
Avg. Age - Yrs.	4.25										
1981											
Market Share %	1.000	0.287	0.175	0.125	0.085	0.079	0.073	0.030	0.039	0.019	0.088
Purchase Price $	4,218	7,377	5,025	4,074	3,230	2,374	1,664	1,309	1,275	1,185	1,101
Mileage @ T.O.P.	37,388	11,695	21,501	32,230	45,006	54,950	62,767	71,067	73,675	78,873	74,070
Avg. Age - Yrs.	3.67										
1980											
Market Share %	1.000	0.260	0.210	0.080	0.080	0.060	0.060	0.140	--	--	--
Purchase Price $	3,794	5,972	4,362	3,396	2,174	1,723	1,502	1,473	--	--	--
Mileage @ T.O.P.	32,780	11,397	20,952	31,408	43,858	53,548	61,750	69,858	--	--	--
Avg. Age - Yrs.	3.23										
1979											
Market Share %	1.000	0.290	0.340	0.080	0.070	0.040	0.050	0.130	--	--	--
Purchase Price $	3,602	5,665	4,079	2,930	2,341	1,842	1,535	1,019	--	--	--
Mileage @ T.O.P.	29,020	11,540	20,000	30,270	42,270	51,610	58,550	66,250	--	--	--
Avg. Age - Yrs.	2.86										

HERTZ CORP. USED CAR BUYER POLL -- PURCHASE SOURCE BREAKOUT & CHANGES
(Including car age, price & mileage by purchase source) TABLE E. 5/86

Years	TOTAL	New Car Dealer's Used Car Lot	Used Car Only Dealer	(Sub-Total Direct Owners)	From Stranger (Bank or Fleet)	From Person Known Before
1985						
Market Share %	1.000	0.370	0.120	0.510	0.220	0.290
Purchase Price $	5,431	7,221	5,977	3,923	4,276	3,736
Mileage @ T.O.P.	45,270	32,530	45,873	55,984	53,132	57,376
Avg. Age - Yrs.	4.590	2.470	4.980	6.520	5.930	6.810
1984						
Market Share %	1.000	0.359	0.128	0.513	0.247	0.266
Purchase Price $	5,406	7,183	5,077	2,578	2,849	2,670
Mileage @ T.O.P.	45,439	33,145	54,017	53,917	50,758	56,774
Avg. Age - Yrs.	4.50	3.00	4.80	5.86	5.80	5.90
1983						
Market Share %	1.000	0.463	0.140	0.397	0.173	0.224
Purchase Price $	4,902	6,189	4,526	3,567	3,971	3,198
Mileage @ T.O.P.	49,969	38,119	67,378	57,642	55,369	59,397
Avg. Age - Yrs.	4.80	3.09	5.22	6.65	6.89	6.46
1982						
Market Share %	1.000	0.474	0.109	0.418	0.225	0.193
Purchase Price	4,773	6,173	4,612	3,717	3,047	3,415
Mileage @ T.O.P.	43,711	35,663	48,495	51,542	52,849	50,016
Avg. Age - Yrs.	4.25	3.07	4.32	5.70	5.90	5.64
1981						
Market Share %	1.000	0.447	0.144	0.409	0.258	0.152
Purchase Price $	4,218	5,154	4,276	3,176	3,242	3,063
Mileage @ T.O.P.	37,388	28,866	40,909	45,412	46,332	43,847
Avg. Age - Yrs.	3.67	2.78	3.85	4.57	4.66	4.42
1980						
Market Share %	1.000	0.420	0.180	0.400	0.290	0.110
Purchase Price $	3,794	4,418	3,981	3,055	3,141	2,828
Mileage @ T.O.P.	32,780	23,993	35,541	40,765	41,549	38,698
Avg. Age - Yrs.	3.23	2.40	3.44	4.01	4.09	3.81
1979						
Market Share %	1.000	0.420	0.180	0.400	0.290	0.110
Purchase Price $	3,602	4,196	3,781	2,899	2,980	2,684
Mileage @ T.O.P.	29,020	21,200	31,820	35,996	36,688	34,171
Avg. Age - Yrs.	2.86	2.10	3.07	3.57	3.64	3.39
DIFFERENCE '85-84						
Market Share %		1.031	0.938	0.994	0.891	1.090
Purchase Price $	1.005	1.005	1.177	1.522	1.501	1.399
Mileage @ T.O.P.	0.996	0.981	0.849	1.038	1.047	1.011
Avg. Age - Yrs.	1.020	0.823	1.038	1.113	1.022	1.154
DIFFERENCE '85-79%						
Market Share %		0.881	0.667	1.275	0.759	2.636
Purchase Price $	1.508	1.721	1.581	1.353	1.435	1.392
Mileage @ T.O.P.	1.560	1.534	1.442	1.555	1.448	1.679
Avg. Age - Yrs.	1.605	1.176	1.622	1.826	1.629	2.009

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TABLE I HERTZ ESTIMATES OF USED & NEW CAR RETAIL U.S. SALES

YEAR	1970	1975	1979	1980	1981	1982	1983	1984	1985	5/86 PCT. '84-85 DIF.
# New Cars Sold Millions	8.39	8.26	10.54	8.76	8.44	7.75	8.92	10.12	10.89	0.076
Avg.Price Per Car $ Per Unit	3,303	4,554	5,873	6,649	7,907	8,860	9,179	9,669	10,166	0.051
Tot. N/C Spending Bils.$ Pur.Price	28.3	37.8	60.7	58.3	67.3	68.8	81.9	97.8	110.7	0.132
# Used Cars Sold Millions	15.95	15.25	18.52	18.66	17.71	16.64	17.39	16.81	15.93	-0.052
..Avg. $ Price	1,388	2,251	3,602	3,794	4,218	4,773	4,902	5,406	5,431	0.005
..Avg. Age	1.98	2.17	2.86	3.23	3.67	4.25	4.80	4.50	4.59	0.020
..Avg.Mileage	22170	24442	29020	32780	37388	43711	49969	45439	45270	-0.004
Tot.U/C Spending Bils.$ Pur.Price	22.1	34.3	66.7	70.8	74.7	79.4	85.3	90.8	86.5	-0.047
U/C Sub-totals										
# From N/C Dlrs.	6.70	6.40	7.72	7.84	7.92	7.89	8.05	8.05	5.89	-0.022
..Avg. $ Price	1,616	2,621	4,196	4,418	5,154	6,173	6,189	7,183	7,221	0.005
..Avg. Age	-	-	2.19	2.40	2.78	3.07	3.09	3.00	2.47	-0.177
..Avg.Mileage	-	-	21200	23993	28866	35063	38119	33145	32530	-0.019
# From U/C Dlrs.	2.87	2.75	3.33	3.36	2.55	1.81	2.43	2.13	1.91	-0.102
..Avg. $ Price	1,456	2,362	3,781	3,981	4,276	4,612	4,526	3,640	5,977	0.642
..Avg. Age	-	-	3.07	3.44	3.85	4.32	5.22	4.80	4.98	0.038
..Avg.Mileage	-	-	31820	35541	40909	48495	63378	54017	45873	-0.151
Direct Sales--										
# Fr. Strangers*	4.65	4.42	5.37	5.41	4.56	3.75	3.01	4.17	3.50	-0.160
..Avg. $ Price	1,143	1,864	2,980	3,141	3,242	3,047	3,971	2,849	4,276	0.501
..Avg. Age	-	-	3.64	4.08	4.66	5.90	6.89	5.80	5.93	0.022
..Avg.Mileage	-	-	30688	41549	46332	52849	55369	50758	53132	0.047
# From'Friends'+	1.75	1.68	2.04	2.05	2.08	3.20	3.90	4.47	4.62	0.034
..Avg. $ Price	1,050	1,678	2,684	2,828	3,063	3,415	3,198	2,670	3,736	0.399
..Avg. Age	-	-	3.39	3.81	4.42	5.64	6.40	5.90	6.80	0.153
..Avg.Mileage	-	-	34171	38698	43847	50016	59397	56774	57370	0.011
Tot.# P/C Sold Millions	24.34	23.51	28.86	27.43	26.16	24.39	26.32	26.92	26.82	-0.004
Avg. $ Price	2,073	3,068	4,410	4,708	5,428	6,073	6,352	7,008	7,353	0.049
TOTAL PC SPENDING Bils.$ Pur.Price	50.4	72.1	127.4	129.1	142.0	148.2	167.2	188.6	197.2	0.046

*Incl. Private Firms'

+Including Neighbors, Relatives, Business associates, etc.

(Volume data excludes units WHOLESALED, to avoid counting a car more than once.)

NOTE: Prices include value of any other cars traded. Actual motor vehicle outlays, including ownership & OPERATING costs (but pro-rating purchase prices via depreciation), are estimated by Hertz in a separate yearly report.

1985 OWNERSHIP & OPERATING COSTS OF TYPICAL NEW & USED AUTOMOBILES
(Compact Model Driven 10,000 Miles A Year for Varying Years)TABLE II
Hertz Corp. 5/86

ASSUMED CAR PURCHASE PRICE	1985 $9,834		$7739		$5768	
Age of Car When Purchased	NEW		1-YEAR OLD		2-YEARS OLD	
Years Car Driven	4	10	4	9	4	8
Depreciation	0.1770	0.0964	0.1430	0.0838	0.1085	0.0697
Ins.,Lics.& Fees	0.1193	0.1041	0.0877	0.0484	0.0789	0.0483
Interest	0.0826	0.0425	0.0439	0.0274	0.0332	0.0230
Fixed Costs S/T	0.3789	0.2430	0.2746	0.1596	0.2206	0.1410
Maintenance	0.0404	0.0525	0.0470	0.0553	0.0507	0.0567
Gasoline & Other Serv.Stn.Charges	0.0727	0.0732	0.0729	0.0733	0.0731	0.0734
Variable S/T	0.1130	0.1257	0.1199	0.1286	0.1238	0.1301
TOTAL FIXED & VARIABLE COSTS	0.4919	0.3687	0.3945	0.2882	0.3444	0.2711

ASSUMED CAR PURCHASE PRICE	$4351		$3305		$2477	$1814
Age of Car When Purchased	3-YEARS OLD		4-YEARS OLD		5 YEARS OLD	6-YEARS OLD
Years Car Driven	4	7	4	6	4	4
Depreciation	0.0841	0.0594	0.0666	0.0518	0.0521	0.0405
Ins.,Lics.& Fees	0.0726	0.0488	0.0678	0.0532	0.0642	0.0588
Interest	0.0250	0.0203	0.0202	0.0185	0.0152	0.0112
Fixed Costs S/T	0.1817	0.1285	0.1546	0.1235	0.1315	0.1105
Maintenance	0.0555	0.0582	0.0592	0.0606	0.0612	0.0627
Gasoline & Other Serv.Stn.Charges	0.0733	0.0735	0.0735	0.0735	0.0737	0.0737
Variable S/T	0.1288	0.1317	0.1327	0.1341	0.1349	0.1364
TOTAL FIXED & VARIABLE COSTS	0.3105	0.2602	0.2873	0.2576	0.2664	0.2468

NOTES: Assumptions and calculation methods for USED car cost estimates are similar to those Hertz uses for NEW car estimates. Purchase price assumptions reflect only estimates of dealer markups. Used car loan assumptions are limited to 4 years, not 5 and interest rates are 1-2% points higher than those for new cars. So also notes to other tables.

TABLE III MOST TYPICAL 1985 NEW & USED CAR DRIVING COSTS HERTZ 5/86

TYPICAL* CAR BOUGHT NEW	CATEGORIES	TYPICAL* CAR BOUGHT USED
0	Car Age In Years	4.50
0	Car Mileage (at time of purchase)	45,270
10038.00	Car List Price	----
9586.29	Car Sales Price (after discount)	5121.00
10166.26	Car Purchase Price (including taxes)	5430.82
10,156	Mileage To Be Driven Per Year*	11,272
5.48	Years Car Kept*	5.40

Ownership & Operating Expenses Per-Year Averages

Cents-Per-Mile		Cents Per-Mile
	Fixed or Standing Costs	
0.1592	Depreciation	0.0411
0.0094	Licenses & Other Fees	0.0081
0.1097	Insurance	0.0433
0.0865	Interest Paid & Lost	0.0106
0.3648	Fixed Costs Sub-Total	0.1031
	Variable or Running Expenses	
0.0460	Maintenance & Repairs	0.0605
0.0831	Fuel & Other Service Station Charges	0.0735
0.1297	Variable Costs Sub-Total	0.1340
0.4945 cents per mile	TOTAL FIXED & VARIABLE EXPENSES	0.2371 cents per mile
	PERCENTAGES: Added Costs New/Savings Used	
5022.046 $ P/Yr.	1.863 2326.910 0.463	2672.591 $ Per Yr.

* Used Car Data taken from Hertz nationwide poll response averages and is not comparable with otherr new/used car comparisons because models age, mileage and use periods differ. For more comparable information see Tables II & V.

TABLE IV

Hertz Estimates of
TOTAL NEW & USED CARS SOLD IN 1985 BY TYPE OF USE

	TOTAL Cars Sold			Cars N&U Sold for NON-Personal Use*			Cars N&U Sold for Personal Use		
	Numbers	Percentages: Down	Across	Numbers	Percentages: Down	Across	Numbers	Percentages: Down	Across
NEW CARS									
Domestic	7.878	0.723	1.0	3.348	0.880	0.425	4.530	0.547	0.575
Import	3.011	0.277	1.0	0.458	0.120	0.152	2.553	0.453	0.848
Sub-total New Cars	10.889	1.000		3.806	1.000		7.083	1.000	
Percentages		0.400	1.0			0.350			0.650
USED CARS									
Domestic	12.904	0.810	1.0	3.093	0.764	0.240	9.811	0.826	0.760
Import	3.027	0.190	1.0	0.957	0.236	0.316	2.070	0.174	0.684
Sub-total Used Cars	15.931	1.000		4.050	1.000		11.881	1.000	
Percentages		0.594	1.0			0.254			0.746
TOTALS	26.820	1.000	1.0	7.855		0.293	18.964		0.707

* The term "fleet" vehicle is normally defined by auto manufaacturers as a unit sold to an organization or group which acquires 10 or more motor vehicles each year; in addition to these "fleet" units, more units are sold to smaller organizations, and/or government groups and associations (and to individuals) which are used PRIMARILY (over 50%) for "business," rather than personal, driving . The above "NON-Personal" use figures reflect both such categories.

Table V [illegible] Hertz Corp. 5/66

[illegible]
(for Contact Models Driven 10,000 Miles a Year -- 1965 Prices)

Age of Car When Purchased (In Years)	Purchase Price of Car (in Dollars)	Pct. Saved	Ownership & Operating Costs Cents Per Mile: Car Kept 4 Years	Pct. Saved	Car Kept Until Junked*	Pct.** Saved
[illegible]	5,888	---	48.19	---	36.87	---
One	7,734	21	38.48	18.8	28.82	24.6
Two	5,764	41	34.44	30.0	27.11	32.0
Three	4,211	57	31.38	36.3	26.02	37.9
Four	3,374	68	28.78	41.0	25.76	41.9
Five	2,457	78	27.64	48.6	25.07	47.4
Six	1,815	82	26.04	49.6	24.68	48.3
Seven	1,403	87	[illegible] costs after 10		24.48	52.0
Eight	1,023	91	years or 100,000		23.78	54.7
Nine	811	93	miles.		23.38	56.5
Ten	2,117	63	36.72	27.3	25.48	46.6

* 10-year, 100,000-mile car life assumed; year-old car assumed to have been driven 4 more years, 2-year-old unit 6 more, etc.

** This percentage saved if car is driven until junked reflects driving the used car the same number of years as the new car, e.g. savings on a used one-year-old car driven 4 years is compared with the cost of driving a new car 5 years, not 10.

NOTE: as with new cars, per-mile expenses for most used cars normally decline the longer the car is kept. However, assuming a typical 10,000-mile-per-year of travel, it is uneconomic to keep a used car only one year. Also, used car buyers should consider a unit's mileage as well as its age. For example, a 3-year-old car with 60,000 miles on it rather than 30,000, cannot be expected to run 7 more years at 10,000 miles a year as inexpensively as one with just 30,000 prior miles.

Costs are estimated at late prices in 1965 dollars -- assuming no inflation. Inflation would reduce APPARENT depreciation (until another car is purchased at a higher price) but would increase all other charges. Averages in this table do not correspond to those in III because these figures are based on a specific size and type vehicle, not on an average or composite for Hertz' sample fleet.

Hertz Corp. 5/66